

Carma Paso Robles TIRZ

Frequently Asked Questions

What is the Paso Robles project and who is Carma?

- Paso Robles is a proposed master planned community by Carma Developers, in San Marcos, Texas consisting of approximately 1,340 acres. The site is generally located along the west side of Hunter Road, and south of McCarty Lane. At full build out the community will consist of up to 3,450 single family units, a daily fee golf course and clubhouse, walking trails, and parks as well as a retail component at the southeast corner of Hunter Road and Centerpoint Road.
- Founded in 1958, Carma is one of North America's largest developers of master-planned communities and is recognized by the Urban Land Institute in its publication "Great Planned Communities – the 26 Best Communities in the World". Blanco Vista, in San Marcos, is just one of several new Carma master-planned communities underway in the Austin area.

What is a Tax Increment Reinvestment Zone?

- Tax Increment Financing (TIF) is an economic development tool available to Texas cities to promote both new development and redevelopment within a specific geographic area inside the corporate city limits. To implement TIF a city must create a Tax Increment Reinvestment Zone (TIRZ) designating the particular geographic area targeted for new development or redevelopment. A TIRZ works by capturing the new or additional tax value generated in the Zone above the base year value and reinvesting a portion of that revenue back into public improvements within the Zone.

Why is Carma requesting the creation of a TIRZ for the Paso Robles project?

- Carma will be investing approximately \$175,000,000 in infrastructure for the Paso Robles project. Many of these infrastructure projects are regional in nature and have been identified in the water, wastewater, and thoroughfare plans of the City for numerous years. These projects include new above ground storage tanks needed to improve existing pressure planes, large water mains, and large wastewater interceptor extensions. These projects will have regional or system wide public benefits that far exceed the needs of the Paso Robles project.
- Carma is seeking to create a Tax Increment Reinvestment Zone (TIRZ) that may ultimately issue bonds to partially reimburse the developer for building the certain regional or system wide infrastructure projects. These projects include water, wastewater and reclaimed water projects currently listed in the City's CIP program and the other City Plans.

How will the creation of a TIRZ facilitate the reimbursement?

- Carma will pay for the full cost to construct the improvements. Through the construction of the Paso Robles development, Carma be creating the value that will be utilized to generate the funds for reimbursement or to service the debt on the bonds. No public funding assistance from an existing City of San Marcos revenue source is being requested.
- The reimbursement bonds may be periodically issued until the full reimbursement has occurred. The individual bond will not be issued until development has occurred and taxable value is on the appraisal roll in an amount of 120% of what is required to service the debt.
- During the TIRZ period, the City of San Marcos will continue to receive nonobligated property tax revenues to offset the cost of City services. All of the internal street system and the parks and recreation facilities will be privately maintained at no cost to the City. In addition, the new utility rate revenue will pay for water and wastewater maintenance.

How much property tax revenue is expected to be generated from the Paso Robles development?

Paso Robles Current and Projected Annual Property Tax Revenues		
Tax Entity	Current Revenue	Projected Revenue
City of San Marcos	\$7,578	\$3,897,169
San Marcos CISD	\$60,135	\$10,275,525
Hays County	\$16,456	\$3,135,160
Total:	\$84,169	\$17,307,854

How long has the City Council and the City staff been in discussion regarding the creation of a TIRZ for the Paso Robles development?

December 2008:	P&Z Public Hearings on the Paso Robles Development Agreement outlining the terms for certain infrastructure reimbursements.
January 2009:	Follow up meeting with the P&Z.

January 2009:	Carma presented the Paso Robles project to the City Council during their regular meeting. City Council provided direction to staff to proceed with discussions regarding the creation of a TIRZ.
September 2009:	Public Joint Workshop meeting discussing the TIRZ was held with City Council and the Planning and Zoning Commission.
February 2010:	Public Joint Workshop meeting discussing the Sunrise project plans and the TIRZ was held with City Council and Planning and Zoning Commission
March 2010:	Posted workshop site visits occurred for P&Z and City Council.
May 2010:	Posted workshop site visits occurred for City Council.

- Staff has briefed City Council on several occasions during executive sessions providing updates on the status of the discussions.